

STAND. COM. REP. NO.

1213

Honolulu, Hawaii

APR 01 2015

RE: S.C.R. No. 111
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which
was referred S.C.R. No. 111 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO
CONDUCT AN AUDIT OF POLICIES, PROCEDURES, AND MANAGEMENT OF
THE REAL ESTATE COMMISSION,"

begs leave to report as follows:

The purpose and intent of this measure is to request the
Auditor to perform an audit of the policies, procedures, and
management of the Real Estate Commission.

Specifically, the measure requests the Auditor to analyze the
Real Estate Commission's practices and procedures regarding:

- (1) Management;
- (2) Investigative powers, including the Commission's award
of contracts to other entities to carry out
investigations;
- (3) Adoption of administrative rules to implement chapter
514B, Hawaii Revised Statutes;
- (4) The condominium mediation program; and
- (5) Collection of fees relating to condominium mediation and
training programs.



Your Committee received testimony in support of this measure from numerous individuals. The Real Estate Commission and one individual provided comments on the measure.

Your Committee finds that, throughout the years, the Legislature has made many efforts to address a multitude of problems relating to condominiums, including the manner in which they are governed and providing for alternative dispute resolution mechanisms. Your Committee further finds that, despite these efforts, there are conflicting reports regarding the efficacy of Hawaii's current self-governance model for condominiums. Your Committee finds that unresolved issues over governance and dispute resolution mechanisms diminish the quality of life for condominium residents and may contribute to higher maintenance costs to unit owners.

Accordingly, your Committee has amended this measure by deleting its contents, amending its title, and inserting language that requests the Legislative Reference Bureau to study issues relating to self-governance and dispute resolution under Hawaii's current condominium law.

Specifically, the new language requests the Legislative Reference Bureau to:

- (1) Examine governance models utilized by select states that have a large number of condominium units, including Florida and California;
- (2) Examine past efforts to address problems relating to Hawaii's condominium law;
- (3) Identify governance provisions of Hawaii's current condominium law that are effective and those that are not effective, particularly with respect to senior living condominiums or condominiums located in urban areas;
- (4) Examine the adequacy of the dissemination of information concerning condominium management and operations to condominium unit owners;
- (5) Recommend amendments to Hawaii's condominium law to address those provisions identified as ineffective; and

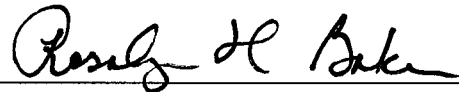


- (6) Submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2016.

The new language also requests the Real Estate Commission to provide cooperation and any assistance and information the Legislative Reference Bureau may require to complete the study in the timeframe provided.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 111, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 111, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,

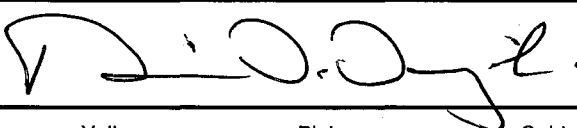


ROSALYN H. BAKER, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SCR III</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPN, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">3/27/15</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
KAHELE, Gilbert	✓			
KIDANI, Michelle N.				✓
NISHIHARA, Clarence K	✓			
WAKAI, Glenn				✓
SLOM, Sam	✓			
TOTAL	5	0	0	2
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-left: 50px;">  </div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.7em; margin-top: 5px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

*Only one measure per Record of Votes